



AUDLEY
INSURANCE

INTERNAL CONTROL FRAMEWORK



INTERNAL CONTROL FRAMEWORK

CONTENTS

1	INTRODUCTION.....	5
2	BOARD OVERSIGHT AND GOVERNANCE.....	5
3	SEGREGATION OF DUTIES AND CONFLICT PREVENTION.....	5
4	KEY BUSINESS POLICIES AND PROCESSES	5
5	AUDIT COMMITTEE.....	7
	COMPOSITION OF AUDIT COMMITTEE FOR THE YEAR 2024:	7
	AUDIT COMMITTEE	7



INTERNAL CONTROL FRAMEWORK

1 INTRODUCTION

The purpose of this Internal Control Framework is to provide assurance at all levels of management that business processes are being adhered to, and ultimately to ensure the reliability of financial reporting, compliance with laws and regulations, safeguarding of assets and efficient operations of Audley Insurance Company Sdn Bhd ("Audley Insurance" or "the Company"). The framework aligns with regulatory requirements and industry best practices to ensure the long-term sustainability and success of Audley Insurance.

This Internal Control Framework is subject to periodic review and may be updated to align with evolving regulatory requirements and business needs.

2 BOARD OVERSIGHT AND GOVERNANCE

The Board of Directors will oversee the establishment and maintenance of the Internal Control Framework. The Audit Committee, comprising of members of the Board of Directors, will provide oversight and review of the effectiveness of the Internal Control Framework.

3 SEGREGATION OF DUTIES AND CONFLICT PREVENTION

To prevent conflicts of interests and ensure accountability, the Company will establish clear segregation of duties. Roles and responsibilities will be clearly defined and documented to prevent overlap, ensuring that no single individual has control over a process from start to finish.

4 KEY BUSINESS POLICIES AND PROCESSES

In adherence to sound corporate governance principles, Audley Insurance has established a comprehensive framework of policies and procedures designed to ensure consistency, transparency, and effective risk management across all organizational functions. These policies cover critical areas of operational and strategic significance, including but not limited to:

1. Approval and Authorization Policy:

This policy ensures a structured and accountable decision-making process within the Company, by outlining the guidelines and processes for approvals and authorizations.

2. Bad Debts Policy and Procedure:

This policy establishes clear guidelines for managing and accounting for bad debts within the Company. It outlines the steps for making allowance for receivables and the process for writing off bad debts.

3. Business Continuity and Recovery Plan:

This Plan serves as a blueprint for maintaining essential operations during unforeseen disruptions and swift recovery in times of crisis.

4. Cash Management Policy:

This policy ensures proper setup and handling of cash funds for

- Petty Cash
- Cash Vault



INTERNAL CONTROL FRAMEWORK

5. Capital Expenditure and Operating Expenses Policy:

This policy establishes rules governing how the Company makes purchases. It provides guidelines for all purchasing and procurement activities to ensure consistency and adherence to best practices.

6. Claims Policy and Procedure:

The Claims Policy ensures fast, fair, and prudent handling of insurance claims. It provides guidance on how to report claims and outlines the process from assessment to settlement.

7. Employee Handbook Policy:

The Employee Handbook outlines the Company's expectations, rules, and benefits for all employees.

8. Investment Policy:

The Investment Policy & Guidelines serve as a framework for the Company's investment decisions. The Company prioritizes factors such as asset liability management, investment security, diversification, liquidity needs, and maximizing rate of returns. By adhering to the guidelines, the Company aims to make prudent and strategic investment choices that align with its financial objectives and ensure the long-term stability and growth of its assets.

9. Performance Management Assessment Framework Policy:

This Policy provides the framework that outlines how performance is evaluated and improved at all levels. Following this Policy ensures alignment with strategic goals, fosters accountability, and continuously improves operations to better serve stakeholders.

10. Remunerations and Benefits Policy:

The Remuneration and Benefits Policy outlines the Company's compensation and benefits paid within the Company.

11. Risk and Reinsurance Underwriting Policy

This policy ensures effective reinsurance practices that are integral to the Company's overall risk management strategy. The policy aims to set standards for using reinsurance and other risk transfer methods. It provides a framework for selecting, implementing, monitoring and reviewing reinsurance arrangements. This helps ensure the Company can fulfil its obligations to policyholders and maintains adequate controls over risk transfer programs.

These policies and procedures are periodically reviewed and updated to align with evolving industry standards, regulatory requirements, and the dynamic business environment. They serve as a foundation for fostering a culture of integrity, compliance, and accountability throughout the organization.

INTERNAL CONTROL FRAMEWORK

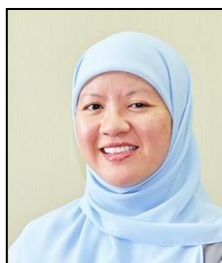
5 AUDIT COMMITTEE

COMPOSITION OF AUDIT COMMITTEE FOR THE YEAR 2024:



CHAIRMAN

Yang Mulia
Hjh Lily binti Hj Kula



MEMBER

Yang Mulia
Nur Rossthenee binti Hj Muhd Nendaroh



MEMBER

Yang Mulia
Hj Osman bin Hj Md. Jair

Secretary to the Audit Committee: Md Rabani bin Hj Roslan
Senior Executive Officer

AUDIT COMMITTEE

The primary purpose of the Audit Committee (“**the Committee**”) is to assist the Board of Audley Insurance in fulfilling its oversight responsibilities related to financial reporting, internal controls, and risk management. By diligently reviewing the financial statements, assessing the audit processes, and addressing the risk management, the Committee strives to uphold the highest standards of corporate governance and promote the trust and confidence of shareholders, regulatory authorities, and the broader business community.

The Committee is required to consist of a minimum of three (3) members appointed by the Board of the Company, all of whom must currently serve as members of the Board. The Board retains the authority to remove any member of the Committee at any time.

The Committee is authorized by the Board to undertake any activity within its Terms of Reference, which includes the review and deliberation of the external audit function.